

(b) A captive insurance company, with the commissioner's approval, may issue dividends or distributions to the holders of an equity interest in the captive insurance company. The commissioner shall adopt rules to implement this subsection.

SECTION 4. Subchapter B, Chapter 964, Insurance Code, is amended by adding Section 964.072 to read as follows:

Sec. 964.072. APPROVAL OF CAPTIVE REINSURANCE POOLS. Before determining whether to approve a captive insurance company's participation in a captive reinsurance pool under Section 964.052, the commissioner may:

(1) *require the captive insurance company provide to the commissioner evidence that the captive reinsurance pool:*

(A) *is composed only of other captive insurance companies holding a certificate of authority under this chapter or a similar law of another jurisdiction; and*

(B) *will be able to meet the pool's financial obligations; and*

(2) *impose any other limitation or requirement on the captive insurance company that is necessary and proper to provide adequate security for the captive insurance company.*

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

Passed the Senate on April 9, 2015: Yeas 31, Nays 0; passed the House on May 21, 2015: Yeas 141, Nays 0, two present not voting.

Approved June 15, 2015.

Effective June 15, 2015.

REPEAL OF THE PRODUCTION TAXES ON CRUDE PETROLEUM AND SULPHUR

CHAPTER 470

S.B. No. 757

AN ACT

relating to the repeal of the production taxes on crude petroleum and sulphur.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. The following provisions are repealed:

(1) Sections 81.111, 81.112, 81.113, and 81.114, Natural Resources Code; and

(2) Chapter 203, Tax Code.

SECTION 2. Section 355.102(f), Estates Code, is amended to read as follows:

(f) Class 5 claims are composed of claims for taxes, penalties, and interest due under Title 2, Tax Code, Chapter 2153, Occupations Code, *former* Section 81.111, Natural Resources Code, the Municipal Sales and Use Tax Act (Chapter 321, Tax Code), Section 451.404, Transportation Code, or Subchapter I, Chapter 452, Transportation Code.

SECTION 3. Section 81.018(a), Natural Resources Code, is amended to read as follows:

(a) Salaries and other expenses necessary in the administration and enforcement of the oil and gas laws shall be paid by warrants drawn by the comptroller on the State Treasury from *general revenue* ~~[funds provided under Section 81.112 of this code]~~.

SECTION 4. The heading to Subchapter E, Chapter 81, Natural Resources Code, is amended to read as follows:

SUBCHAPTER E. *FEES* [TAX]

SECTION 5. Section 81.116(b), Natural Resources Code, is amended to read as follows:

(b) The fee is in addition to, and independent of any liability for, the *tax* [taxes] imposed under [Section 81.111 of this code and] Chapter 202, Tax Code.

SECTION 6. Section 112.155(a), Tax Code, is amended to read as follows:

(a) The amount of a judgment for the plaintiff shall be credited against any tax, penalty, or interest imposed by this title [or by Section 81.111, Natural Resources Code,] and due from the plaintiff.

SECTION 7. Section 151.308, Tax Code, is amended to read as follows:

Sec. 151.308. ITEMS TAXED BY OTHER LAW. (a) The following are exempted from the taxes imposed by this chapter:

- (1) oil as taxed by Chapter 202;
- (2) [sulphur as taxed by Chapter 202];
- [3] motor fuels and special fuels as defined, taxed, or exempted by Chapter 162;
- (3) [(4)] cement as taxed by Chapter 181;
- (4) [(5)] motor vehicles, trailers, and semitrailers as defined, taxed, or exempted by Chapter 152, other than a mobile office or an oilfield portable unit, as those terms are defined by Section 152.001;
- (5) [(6)] mixed beverages, ice, or nonalcoholic beverages and the preparation or service of these items if the receipts are taxable by Subchapter B, Chapter 183, or the items are taxable by Subchapter B-1, Chapter 183;
- (6) [(7)] alcoholic beverages when sold to the holder of a private club registration permit or to the agent or employee of the holder of a private club registration permit if the holder or agent or employee is acting as the agent of the members of the club and if the beverages are to be served on the premises of the club;
- (7) [(8)] oil well service as taxed by Subchapter E, Chapter 191; and
- (8) [(9)] insurance premiums subject to gross premiums taxes.

(b) Natural gas is exempted under Subsection (a)(2) [(a)(3)] only to the extent that the gas is taxed as a motor fuel under Chapter 162.

SECTION 8. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3171 to read as follows:

Sec. 151.3171. SULPHUR. Sulphur is exempted from the taxes imposed by this chapter.

SECTION 9. The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 10. This Act takes effect September 1, 2015.

Passed the Senate on March 24, 2015: Yeas 25, Nays 6; passed the House on May 22, 2015: Yeas 106, Nays 34, two present not voting.

Approved June 15, 2015.

Effective September 1, 2015.